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CIA LETTER HEAD

PERS

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The Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

In my dual statutory role both as Director of Central Intelligence and the Executive Head of the Central Intelligence Agency, I have studied the recommendations of the Rockefeller Commission Report to the President on CIA Activities Within the United States, as well as those recommendations issued by the Select Committee to Study Governmental Operations With Respect to Intelligence Activities, United States Senate. Both of these documents contain recommendations designed to increase the management expertise as well as to increase and intensify the level of supervision given to matters within the Intelligence Community and the Central Intelligence Agency. In addition to those documents, I have also studied the contents of Executive Order 11905, United States Foreign Intelligence Activities, of 19 February 1976. That document also discusses more managerial control and supervision within the Community and the several agencies.

We are now in the process of implementing many of the provisions of Executive Order 11905, as well as the recommendations of the Rockefeller Commission and the Senate Select Committee. It is in connection with those activities that I now write you and request a revision in the number of Executive Pay positions, the incumbents of which support me in my dual role.

Both the Rockefeller Commission and the Senate Select Committee made recommendations relative to the role and stature of the Central Intelligence Agency's General Counsel. The Rockefeller Commission's Recommendation 10(b) proposed that "consideration should be given to measures which would strengthen the Office's (i.e., Office of the General Counsel) professional capabilities and resources..." The Senate Select Committee specifically proposed in Recommendation 66 of their

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final report dated April 26, 1976, that "the General Counsel should be promoted to, and the Inspector General should continue to hold executive rank equal to that of the Deputy Directors of the CIA." The current grade assigned to the position of General Counsel is EP-05 and, for the aforementioned reasons, I wish to upgrade it to EP-04, such rank being held by the Deputy Directors in CIA.

The Intelligence Community Staff has had its responsibilities greatly enlarged by the provisions of Executive Order 11905. Executive Order 11905 created two Deputy Directors under the DCI - a Deputy DCI for the Central Intelligence Agency and a Deputy DCI for the Intelligence Community (DDCI/IC). Both of these Deputies will be Presidential appointees. Proposed legislation to amend the National Security Act of 1947 to provide for the two Deputy concept is being submitted to the Office of Management and Budget (OMB) by separate letter. These positions will be coequal in scope and responsibility and will need to be graded at the same level, EP-03. Only the Agency Deputy is so graded at this time.

While the Deputy DCI for CIA will be assisting the DCI in managing CIA, the Deputy DCI for the Intelligence Community will be assisting him in supervising and managing the Intelligence Community.

New and enlarged responsibilities for the Deputy DCI for the Intelligence Community are spelled out in the Executive Order. Principal among these is the requirement to be the principal staff arm of and to provide support to the Committee on Foreign Intelligence (CFI) in:

- Controlling budget preparation and resource allocation for the National Foreign Intelligence Program.

- Establishing policy priorities for the collection and production of national intelligence.

- Establishing policy for the management of the National Foreign Intelligence Program.

- Providing guidance on the relationship between tactical and national intelligence.

- Providing continuing guidance to the Intelligence Community in order to ensure compliance with policy directions of the National Security Council.

In addition, the Deputy DCI for the Intelligence Community will act for the DCI and exercise authorities and responsibilities delegated to him by the DCI as he may designate. Some of these responsibilities include:

Serving as Vice Chairman of the National Foreign Intelligence Board (USIB follow-on).

Supervising the Chairmen of DCI Committees (former USIB Committee Chairmen).

Acting in the DCI's behalf on CFI matters.

Serving as Acting DCI in the DCI's absence as the DCI may designate.

Supporting the DDCI/IC will be an Associate Deputy, currently assigned an EP-05 rating. It is desired to raise this to the EP-04 level. The Associate Deputy will be appointed by the DCI and will be responsible for assisting the Community Deputy in the discharge of his responsibilities cited above and in the supervision and management of the Intelligence Community Staff. He will act for the Community Deputy in his absence and will perform such other functions as may be designated by him. He will be the immediate supervisor of three Office Directors (two EP-05's and one GS-18), the Intelligence Community Staff Executive Officer, the CFI/NFIB Executive Secretary, and Special Assistants to the Deputy DCI/IC.

Reporting directly to the Associate Deputy and Deputy DCI/IC will be the Director of the Office of Performance Evaluation and Improvement for which an EP-05 grade is requested. This is a new position which will support the Deputy DCI/IC and the DCI in exercising their responsibility for evaluating and improving the performance of national foreign intelligence activities and programs. His principal functions include:

Developing, maintaining, and implementing requirements systems for collection and production of national intelligence.

Conducting studies and assessments of collection and production performance of the Intelligence Community.

Assessing the responsiveness of intelligence activities, projects, and systems to consumer and user needs.

Evaluating and improving the mechanism by which collection and production requirements are established, prioritized, and tasked.

In concert with the Office of Program and Budget Development, supporting the NFIP program decision making process of the DCI and the CFI, primarily through assessments and evaluations of collection and production activities.

Supporting the national foreign intelligence policy decision making process of the DCI and the CFI, in concert with the Office of Policy and Plans.

Performing assessments of the utility and value of collection and production within the Intelligence Community.

Evaluating and improving the mechanisms and procedures by which national intelligence is collected and produced.

The Director, OPEI, will directly supervise four GS-13 Division Chiefs and one GS-17 Staff Chief. These include a SIGINT Division, Imagery Division, Human Resources Division, Production Assessment and Improvement Division and an Integration Staff. The SIGINT, Imagery, and Human Resources Division Chiefs also will serve as Chairmen of the three DCI Committees (former USIB) concerned with collection activities in their respective functional areas. Staff support for these Committees will be provided by OPEI. The Director, OPEI, assisted by the Integration Staff, will be responsible for looking across the board at collection activities to seek trade-offs where possible and optimize their use in areas where they promise the highest potential return.

Lastly, I address myself to the position of Deputy to the DCI for National Intelligence. This position, established by my direct predecessor, is currently graded at EP-05. The incumbent of the position should be viewed as the senior single substantively-qualified intelligence officer of the United States Government. He serves the DCI directly and is the senior counsel on all intelligence matters of substance. He oversees

production of national intelligence estimates and special national intelligence estimates, national intelligence analytical memoranda, interagency intelligence memoranda and studies, and produces other analyses and assessments of varying degrees of formality requested by senior consumers, or commissioned to fill an obvious need, whose preparation involves the work of more than one component of the Intelligence Community. In performing his duties he provides a coordinating mechanism, operating on behalf of the DCI, to focus the talents and resources of the Community components on problems of particular importance. He is responsible for maintaining a continuing dialogue with senior officers of the United States Government to insure the adequacy of the intelligence support rendered them and, additionally, is responsible for maintaining contact with knowledgeable experts outside the Government to insure that intelligence production benefits from the full range and thinking in the United States. It is my intent to raise this position to the level of EP-04.

In summation, then, I plan to approve an EP-03 grade for the Deputy DCI for the Intelligence Community, and EP-04 grades for the Associate Deputy DCI for the Intelligence Community, the Deputy to the DCI for National Intelligence, and the General Counsel of the Central Intelligence Agency. I also propose to establish a new EP-05 position for the Director of the Office of Performance, Evaluation and Improvement. I ask for your concurrence.

Sincerely,

/s/ George Bush

George Bush
Director

ORIGINATOR:

John F. Blake
Deputy Director
for
Administration

(Date)

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